

**Rhode Island Economic Development Corporation
Enterprise Zone Council
Minutes of Meeting of August 24, 2004
RIEDC; 4th Floor, Room 1
One West Exchange Place
Providence, RI 02903**

Attendance

Name Affiliation

**Victor Barros (EDC Staff)
Bill Clark (Portsmouth - Business Development)
Ron Caniglia (Council Member)
Kathy Cosentino (City of Providence)
Alan Crisman (Mt. Hope Zone)
Michelle M. Godin (Needs, Inc.)
Carmen Lorenzo (EZC Staff)
Thomas M. Madden (Legal Counsel)
Virginia O'Shan (RI Division of Taxation)
Bill Parsons (EDC – Chairman's Designee)
Dan Varin (Council Member)
Bruce Vild (Statewide Planning)
K. Britte Jesser (Owner of 61-65 Railroad Street)**

The first item of business before the Council was review and approval

of the July 27, 2004 Meeting Minutes, attached hereto as Exhibit A. Mr. Parsons moved approval of said minutes and Mr. Caniglia seconded the motion.

Mr. Barros noted that regarding the reference on page 4 of said minutes regarding electronic filing done by the Secretary of State—that the EDC and the Zone Council now have that process in place and going forward the Council is in compliance with the Secretary State.

There being no further discussion, the minutes were approved unanimously.

The list of recommendations for 2004 membership, attached hereto as Exhibit B was presented by Mr. Barros who noted that 5 businesses were included, bringing the year to date total to 77.

Mr. Parsons moved approval of the list, Mr. Caniglia seconded the motion, and the list was unanimously approved.

The third item of business before the Council was approval of the recommended list for 2003 certification, attached hereto as Exhibit C.

Mr. Barros stated that there were 4 businesses recommended for 2003 year-end certifications “and as always the companies have met the criteria necessary to apply for year end certifications Staff has recommended approval of all 4 businesses. This will be a total of 183

businesses approved for year end certification.”

Mr. Parsons moved approval of the list and Mr. Caniglia seconded the motion.

Vice Chairman Varin inquired whether Perot Systems was one of the businesses. Mr. Barros replied that Perot Systems had not yet submitted its forms.

Vice Chairman Varin then inquired whether the Warren CVS was submitted as a single store, to which Messrs. Barros and Crisman answered yes.

There being no further discussion on the matter, the list was unanimously approved.

The next item of business before the Council was the recommendations list of carry-forward authorizations for 2003, attached hereto as Exhibit D. There being one business on the list, Mr. Barros stated that the Staff had found all requirements in order for the business and recommended approval to the Council. Mr. Caniglia moved approval of the list, Mr. Parsons seconded the motion. A brief discussion regarding correction of the name “Wood and Wire Fence Co.” followed.

Ms. O’Shan then noted that looking to the recommended business’

“last effective date of certification” in 2002, the number of employees had dropped in 2003, thereby rendering a carry forward authorization unavailable. Some discussion regarding the “last effective date of certification” ensued and then Mr. Barros suggested the matter be tabled.

Mr. Caniglia moved that the matter be tabled until the next meeting. Mr. Parsons seconded said motion and the motion to table was unanimously approved.

The next matter of business before the Council was the certification of a Mill Building at 61-65 Railroad Ave., Woonsocket, pursuant to the Mill Building Act.

Mr. Barros made an introduction of preliminary and final designation under the Mill Building Act, gave some background on the recent legislation extending the sunset of the legislation until August 8, 2009 and introduced Britte Jesser, owner of the building. Mr. Barros further pointed out that “this project’s date of the substantial rehabilitation took place from August 1st of 2000 to July 1st 2002. That would be four months after the two year dead line...that would [mean certain] expenses [of the project] may not be eligible [for the tax credit]. Staff would recommend approval on the certification of this building.”

Mr. Caniglia moved approval of the certification; Mr. Parsons seconded. Ms. Jesser proceeded to explain that she and her

husband live on one floor of the building and each has a business on the other floors of the building. In answer to a question from Mr. Vild, Ms. Jesser stated that roughly one-third of the 9,000 square foot building is used as their residence, while the remainder of the usable space is devoted to commercial enterprise. Mr. Vild emphasized that the legislation for the program was not intended to apply to mainly residential buildings.

There being no further discussion, the motion was unanimously approved.

The sixth item of business before the Council was the Request for a Declaratory Ruling from Coastal Medical. Mr. Barros explained that representatives of the company had requested that the Council table the issue until the next meeting as the company stated that it was not prepared to make a further presentation to the Council.

Mr. Parsons moved to table the request. Mr. Caniglia seconded and the motion was unanimously approved.

The next item of business before the Council was a legislative recap of Budget Article 17, Senate Bill 3089 and House Bill 7606.

Mr. Barros noted that the fiscal 2005 changes are expected to generate \$ 1 million in increased net revenue, but “we won’t have the impact until two years down the road as to what the fiscal impact of

the program is with the new realized credit.” Mr. Barros added that the upcoming EZC workshop should provide an opportunity to scrutinize the numbers in the program more closely.

Mr. Barros then noted that the General Assembly bills noted above parrot the existing Mill Building Act verbatim, but for changes in the sunset dates and section references. He added, “We just got our hands on this last week so we haven’t been able to digest the entire thing. This bill was specifically designed with Burrilville in mind and the development of Stillwaters Mill . That development project is mainly a residential development project, it has a commercial component. Maybe 80-20 residential to commercial. Mostly a residential project. And, our understanding was that there would be some language in this bill that would redirect to be applicable to residential. We haven’t been able to find that.”

Mr. Vild pointed out that the requirement that any building in the program be mostly commercial remained in the new legislation and Mr. Madden added that, in fact, the requirement was that 60% of any building in the program be nonresidential.

Mr. Barros also noted “I have been working with Allan Goodwin from at the City of Newport. He is targeting the October Council meeting for presenting the City’s request for new enterprise zone designation.

The next item of business before the Council was old business, whereupon Vice Chairman Varin asked Mr. Barros to provide a summary of recent correspondence with the Town of West Warwick regarding West Warwick's recent limited redesignation. The Council members generally concurred that the letters from Mr. Barros to Mr. Wolfgang Bauer dated April 26, 2004 and August 18, 2004 respectively were on point and instructive of the Council's willingness to assist the Town in improving its plan management.

Mr. Barros also noted that "A letter went out on Friday to the town manager, the town planner and local point of contact for Portsmouth, Tiverton, [and] E. Providence. If they respond in the affirmative we also let them know when a redesignation package will be going out."

There being no further business before the Council, Mr. Caniglia moved to adjourn the meeting, Mr. Varin seconded the motion and the members unanimously voted the meeting adjourned.